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TRADE UNIONISM AND WORKERS PROTECTION IN FINLAND

A Case Study of PAM (PALVELUALOJEN
AMMATTILITTO PAM ry)

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Ammattiliitto on työntekijöiden järjestö. Ammattiyhdistysliike pyrkii puolustamaan työntekijöiden oikeuksia. Ammattiyhdistysliike keskittyy jäseniensä työpaikkoihin liittyviin huoliin. Ammattiyhdistysliike on myös vastuussa työntekijän ja työnantajan yhteistyön kehityksestä. Tällaista yhteistyötä vaaditaan teollisen kehityksen takaamiseksi.

Tämän opinnäytetyön tarkoitus on tutkia ammattiyhdistysliikkeen tilaa, ja suojaa jota yhdistykset Suomessa antavat. Tärkeimpänä tehtävänä opinnäytetyössä on lisätä tietoutta ammattiyhdistysliikkeestä Suomessa. Tutkimus on keskittynyt menetelmiin, joita ammattiliitto käyttää turvatakseen työntekijöiden tulevaisuuden. Teoreettinen osa tutkimuksesta pyrkii myös sisällyttämään osia työsopimuslaista.

PAM on valittuna arvioitavaksi kohdeorganisaatioksi. PAM tarjoaa monia jäsenetuja, joista tärkein on työehtosopimus. PAM neuvottelee työnantajan kanssa ehdoista sekä paremmista palkoista ja työoloista. Tutkimuksessa käytettiin sekä laadullista että määrällistä menetelmää haastattelussa ja kyselyssä. Haastattelu tehtiin PAM:in edustajalle, ja se keskittyi ammattiliiton strategioihin pystyäkseen tarjoamaan työntekijöiden suojele. PAM:in kuvaaman strategian on havaittu olevan tyydyttävä. Kyselyt toimitettiin PAM:in jäsenille ja siinä on keskitytty selvittämään PAM:in toimintaa jäsenien näkökulmasta. 51 vastaajan joukosta 40 oli samaa mieltä siitä, että PAM suojelee heitä. Samoin 40 vastaajaa 51:stä oli tyytyväisiä PAM:in yrityksiin parantaa heidän oikeusturvaansa. Lisäksi liittyen kysymykseen PAM:in roolista konfliktien ratkaisussa työnantajan ja työntekijän välillä, saatiin 49 vastausta. Näistä 49:stä 25 olit erityisen vakuuttuneita PAM:in roolista, 25 olit vakuuttuneita ja 6 ei ollut vakuuttuneita. Yhteenvedon PAM:in rooli on tyydyttävä ja useimmat PAM:in jäsenistä ovat tyytyväisiä siihen.

Avainsanat	PAM, ammattiyhdistysliike, suojele, liitto
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ABSTRACT

Author	Zohaib Hassan
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Trade union is a worker based organization. Trade unionism aims to defend the workers' rights. Trade unionism focuses on the concerns of its members regarding work places. Trade unionism is also responsible for developing cooperation between the labour force and employers. Such cooperation is always required for industrial progress.

The purpose of the thesis was to observe the status of the trade unionism and the protection delivered by unions in Finland. The main objective of the thesis was to increase awareness about trade unionism in Finland. The study focused on the means adopted by a trade union in order to secure the future of workers. The theoretical study also included details about employment contract laws.

PAM was selected as a case study for the evaluation. PAM is providing many membership benefits. Among those benefits collective agreement is the most significant. PAM makes an agreement with employers regarding the terms and conditions for better wages and working conditions. The study employed both qualitative and quantitative approaches for the interview and the questionnaire distributed. An interview was conducted with a PAM representative and the interview focused on inquiring about strategies of the union in order to provide protection to its members. The strategy explained by PAM was found satisfactory. Questionnaires were distributed to members of PAM and the questionnaire mainly inquired about the performance of PAM from members. Among 51 members, 40 members were agreed that PAM is protecting them. Similarly 40 members out of 51 were satisfied with the PAM's efforts to improve their legal protection. Moreover 49 respondents answered to the question regarding the role of PAM in resolving conflict between a member and an employer. Among those 49 members, 25 were strongly convinced about PAM's role in resolving such conflicts, 25 were convinced while six members were not convinced. As a conclusion PAM role was found satisfactory and most of PAM members were found satisfied with PAM's role.

Keywords	PAM, Trade Unionism, Protection, Union
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LIST OF ABBRIVEATIONS

PAM = Service Union United

SAK = Central Organization of Finnish Trade Unions

STTK = The Finnish Confederation of professionals

AKAVA = The Confederation of Unions for Professional and Managerial Staff in Finland

HTK = The Confederation of Intellectual Employment

TVK = The Federation of Clerical employees and civil servants

LTK = The Confederation of the business employers

EK = The Confederation of Finnish Industries

1. INTRODUCTION

1.1 Background of the study

A trade union is a group of employees in which members gather to negotiate effectively with the management. A union negotiates in order to achieve better wages, benefits and working conditions for workers. These kinds of negotiations are collectively known as bargaining. Traditionally, trade unions adopt different ways to help and protect workers. Currently unions are facing new challenges.

Finland has laws and rules regarding the work/ labor in companies and organizations. Similarly there are laws about the rights and duties of employees. Such rules and regulation are complementary to improve performance.

The current study is related to trade unionism in Finland. The study will focus on strategies of union which are adopted to protect workers from the commonly occurring harms and problems. During the study, the general rules and regulations to work in Finland will be the standards of the study.

The study will analyze Service Union United PAM as a case. Service Union United PAM comprise of workers from private services sector. A total 220 000 members joined PAM and among those 5000 are immigrant. PAM provides many benefits which also include unemployment security.

1.2 The Purpose of the Study

The purpose of the thesis is to observe the status of trade unionism in Finland. The study will focus on the different approaches which have been adopted by unions in order to protect the workers from different problems. The study also aims to highlight all the responsibilities of trade unions which are in term mutually beneficial for both the employee and the organization. During the study rules and regulations to work in Finland will be keep in mind.

1.3 Importance of Study

The study will increase public awareness about the trade unions in Finland while focusing/analyzing the strategies adopted by PAM in order to protect its members (workers). The study also aims to increase the public interest regarding trade unions and the role of workers in trade union.

1.4 Structure of the Thesis

The first chapter of this thesis covers the introduction and background of the research. The first chapter also includes the purpose of the research and the research problems. Chapter 2 and 3 are about trade union and the case company, PAM, respectively. The second chapter explains and elaborates the concept of trade union. Moreover, the second chapter develops a link between the title of the thesis and the research. The third chapter covers the details of the case organization, PAM.

Chapters 4, 5 and 6 are about collective agreements, employment contract and industrial relations respectively. These chapters are related to the research problems and more related to the second part of the research title, ‘Workers Protection in Finland’. Collective agreement plays the main in a trade union. In fact the trade union negotiates the collective agreement on the behalf of employees (members) with employer or employer’s associations. Contract law has a central role regarding the protection of employees’ rights. The industrial relations are also significant and exist between employer and employee within an organization. The chapter 6 also includes the details about the conflicts encountered by trade union and the current research also focuses the role of trade union regarding conflict resolution. The last chapters, from 7th to 9th, include empirical part of the thesis and are written step by step.

1.5 Limitations

Unfortunately, this study is not a representative study of the status of trade unionism in Finland. Due to the limitation of time and resources, the study will focus only one

trade union of Finland, PAM. Secondly, most of relevant material available from PAM is in Finnish and that might cause some limitations.

1.6 Research questions

It is extremely important for the study to synthesize some focused questions.

- How is a trade union beneficial for the worker?
- Does trade unionism in any way protect workers?
- What effort has the union made to improve the protection of workers in an organization?
- How are conflicts between workers and organizations resolved by the union?

2. TRADE UNION

Trade union is a workers based organization which aims to protect the workers' rights. The union primarily focuses on its members' interest regarding their work places.

According to Dale Yoder a trade union is *“a continuing long term association of Employees, formed and maintained for the specific purpose of advancing and protecting the interests of the members in their working relationship”*

According to Sidney & Beatrice Webb *“A trade union is a continuous association of wage earners for the purpose of maintaining or improve the conditions of their working lives”*

Mostly trade unions work without the interference of any employer. However, trade unions build close relations with employers. This type of relation is like a contract between employer and trade union and such relation defines common concerns and aims between employer and trade union.

2.1 The History of Finnish Trade Union Movement

The laws and collective agreement made by employee groups of Finnish Trade Unions ensures the employees' rights in Finland. Nowadays most people are getting benefit from theses granted rights, but they have no idea about the tremendous efforts behind those rights. An effort of decades has resulted in delivery of current benefits. Moreover trade union movement has given safety with benefits for employees working in Finland. (The Finnish Trade Union Movement brochure, 2013)

The trade unions have had dramatic history in Finland. In April 1907 a very important meet of Finnish trade union federation was held in Tampere workers hall (Suomen Ammattijärjestö) for two days. In 1930, Finnish authorities banned the activities of trade unions and also left-wing organizations. After three years, on the order of High Court 1,200 organizations were abolished. The Trade Union movement

was near to its last breath then seven trade unions arrange a meeting in October 1930 and establish a central organization SAK.

The Intellectual Employment Union (Henkisen Työn Yhtymä) was established in 1922, later on reorganized in 1944 and in the same year its name changes into the Confederation of Intellectual Employment (Henkisen Työn Keskusliitto HTK). After a year its name was again change into the Federation of Clerical employee's and Civil servants Organization (TVK), and until 1945 this organization had 70,000 members. In 1946, the Finnish Confederation of the Technical Salaried Employees (STTK) was established. Another association was founded in 1950 for Academic Professionals (AKAVA).

From Second World War onward, the trade unions in Finland start growing up in the period from 1944 to 1948. After the fast growth in membership unions highly strengthened themselves. The speedy growths in the memberships of unions cause the formation of employers union. The foundation of the business employers' Confederation (LTK) was organized in 1945 and later this organization named to Service sector employers then come out with employers from industry. The confederation of Finnish industries (EK) was established in 2004 but its operations started in early 2005.

In end 1950s and beginning 1960s, SAK experienced split up in a result that many unions left this confederation. The SAK split was temporary: In 1969 consolidation became possible. The name and status of SAK was changed, so the SAK came into being as The Central Organization of Finnish Trade Unions.

In late 1980s industrial relations and social sciences experts forecast about downfall of the trade union movement. Later trade union movement went even worst when Finland was in the depth of recession in 1991. In 1992 TVK (a mainly female confederation comprising of Clerical Workers and Civil Servant) became bankrupt which weakened the reputation and status of the trade union movement. Moreover most of the unions leaving TVK united with STTK. STTK was male dominated

Confederation. STTK changed its name from Technical to The Union of Professionals.

In the middle time of recession and after the complete failure of TVK Finland's trade union movement was highest in the organization rate. During the crunch trade unions not only gained new members but also successfully defended workers' rights and social protection at work. For the trade union membership Check figure 1. (The Country Report of Finnish Trade Unions, 2012)

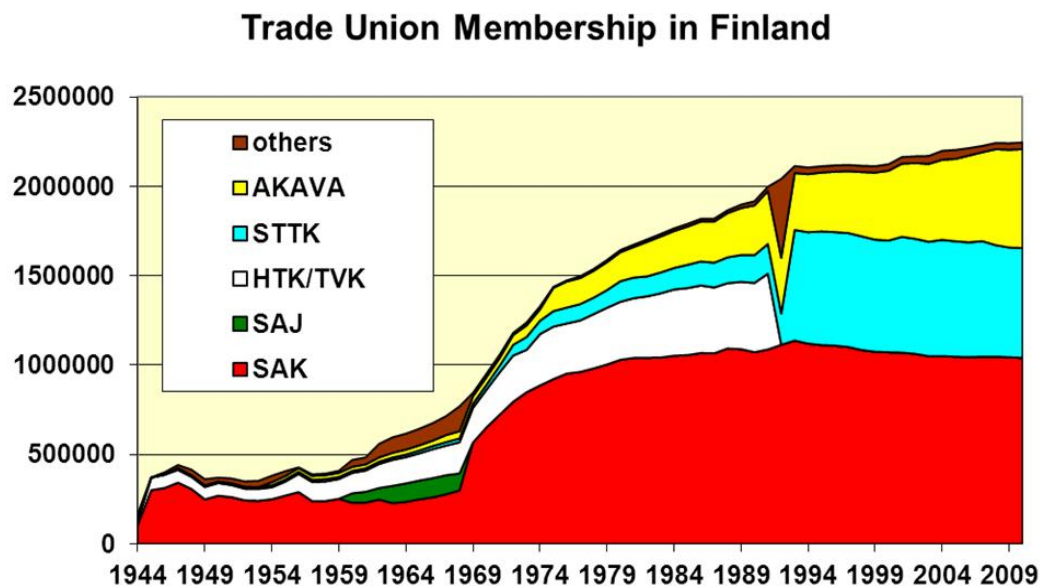


Figure 1. Trade Union Membership in Finland. From The Country Report of Finnish Trade Unions 2012

This figure shows the main ruptures, consolidations and alliances in the Finland's trade union movement. (Source: The Country Report of Finnish Trade Unions 2012).

2.2 The Finnish Labour Confederations

Now a days in Finland there are three labour confederations.

SAK being a central association represents wellbeing of around one million members from the associated trade unions. Associated union members of SAK mainly deals in occupations related to industry, for instance lumberjacks, woodworkers, shop assistants, bakers, restaurant staff and cleaners.

STTK is an association of salaried employees in Finland. The trade unions affiliated to this confederation have about 640,000 workers. These union members work in clerical and technical jobs. Nurses, administrators and supervisors, police force officers, bankers and public servants can join the members unions of STTK.

AKAVA have about 448,000 workers through all the affiliated unions. The member unions of AKAVA do job in occupation requiring advance education. Teaching staff, engineers, medical professionals, lawyers, professional social workers, library staff and executives in armed forces can be the member of AKAVA affiliated unions. (The Finnish Trade Union Movement Brochure, 2013)

2.3 The Main Objectives and Aims of the Trade Unions

Trade Unions:

- Bargain contracts with employers on wages and working conditions
- Explain about main modifications to the workplace such as increasing work load (redundancy)
- Argue their members about the concerns with employers
- Guide their members in corrective and complaint meetings
- Lead their members legally and financially
- Grant education amenities and particular consumer benefits such as low-priced insurance (Introduction to trade union, 2013)

Trade Unions aim many benefits for worker (members) but mainly focuses on increasing wages, improving working environment, ensuring optimal working hours, providing legal support to workers in case of conflicts with administration, providing

extra benefits (like pension, holiday bonuses etc.) and arranging training programmes. (Tutor2u, How we work- trade unions)

2.4 The Functions and Responsibility of Trade Unions

The main functions of trade unions include protection and taking care about the workers interest and working conditions of their employment. There are also other existing factors.

- Work out for higher wages, better job and living conditions for its members.
- Gain the control of the industry through workers.
- Increase the sincerity and discipline in the workers.
- To take care about the workers' rights this is important for the workers interest.
- Help and protect the worker from discrimination and inequality. (Rao 2010, P 294-295)

2.5 Types of Trade Unions

There are many different classifications of trade unions. The most useful way is to categories into following four types.

1. The Craft Unions are the earliest form of union. Workers who have similar skills often connected together to organize unions. The Musicians Union is an example of craft union.
2. The Industrial Unions are established by unions of a special industry. Miners, railway employees or gas workers form unions. For an instance National Union of Mineworkers is industrial union.
3. The General Unions are formed by the members with a wide variety of skillfulness. Cleaner and kitchen worker can be a good example of general union formers. (PAM is a trade union for the private service sector

workers, comes under the general unions category and PAM is open for all types of workers with respect to grade and skill)

4. The white-collar and Professional Unions are formed by the high level educated workers. In Finland AKAVA is the confederation of unions for professionals like professors, doctors and army officers. (S-cool. union types, 2013)

2.6 Reasons for Joining the Trade Unions

There can be many reasons to join trade unions. But the most main motivations that stimulate the worker to join union include the followings.

Greater Negotiating Power

Alone employee as a person have very little bargaining power against his employer. If this alone employee is dissatisfied with the monthly or other terms and conditions of employment, he can only leave the job. So it is better for the employee to join the union and stay on safe side. Moreover employer has to accept all the legal demands posed by the employee through union. These legal demands aim for better working condition and environment for the employee.

Minimize Discrimination

There are many bases where an employer may discriminate employees on the basis of sex, cast and religion and some employees can be favorite and important for supervisor or other management persons. The management can make the wrong decision regarding pay, work, transfer and promotion in Favoritism. So therefore, union can force the employer not to discriminate but treat all the employees equally.

Sense of Security

Workers join unions as they believe the union role for ensuring their protection and security against different types of risks like accident, injury, illness, unemployment etc. (Industrial relations-nukarihub, 2012)

3. SERVICE UNION UNITED PAM (PALVELUALOJEN AMMATILITTO)



Figure 2. The logo of PAM trade union. From PAM webpage.

Service Union United PAM is a trade union for workers in the private services division. PAM was established in the year 2000. PAM is also a part of SAK, the central organization of Finnish trade unions. There are sixteen regional offices of PAM in Finland. PAM's central office is in Helsinki. It has over 225000 members and almost 5000 members are immigrants in Finland. One out of four members is under the age of 31 and 80% of members are female. Almost 13000 students are also members of PAM. Fifty one different languages are registered in PAM trade union. PAM is a union of tourism, restaurant industry, commerce, warehouse, cleaning, facilities services, pharmacies, hairdressers and security guards etc. (PAM Service Guide, 2013)

3.1 Why does PAM Exist?

- PAM negotiates collective agreements in the service sectors.
- PAM is a trade Union that represents the interests of service sector workers.
- PAM takes part in the development of the service sector.
- PAM looks after the employment security of its members in all big or small issues.
- PAM is a voice of workers. (PAM Guide Book, 2012)

3.2 PAM's Tasks for its Members

PAM represents the interest of members (workers). And take care about the rights of member workers, which include negotiations in favor of employee for better condition regarding working time, wages, trial period, holidays, nursing leave, work safety, resting period, unemployment security. PAM arranges leisure time activities as well as events and training related to member's profession. Furthermore, develops the service sector with a look forward for better benefits through active work and negotiation.(PAM leaflet, 2013)

3.3 PAM Services

The PAM's members are entitled to get the following useful services:

- Employment and membership advice.
- Legal services.
- Training services.
- Unemployment benefits services.
- Publications-PAM magazine.
- Membership benefits like holiday share, rental apartments, cottages, discounts on ferry trips and Insurances. (PAM Service guide, 2013)

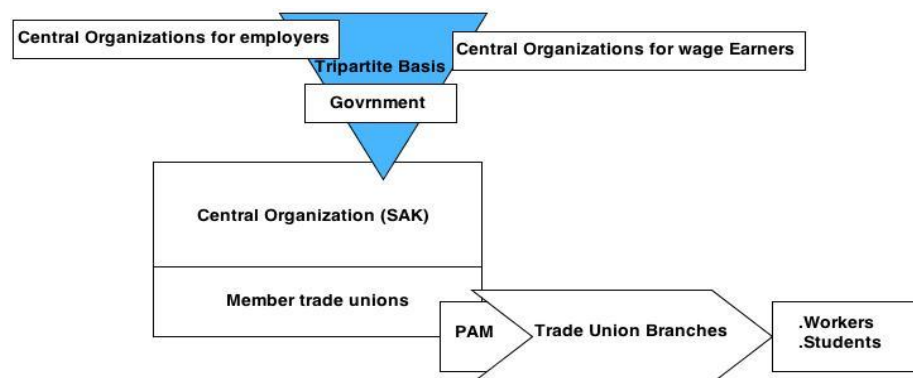


Figure 3: PAM as a member in a trade union. Adapted from PAM is a pioneer in the service sectors 2013.

Figure 3 shows that how PAM is a member of central trade unions organization (SAK). SAK represents the interest of more than one million members in 20 affiliated federations. A person can join PAM as a worker and also student. In Finland it is very normal to join a trade union. SAK is an organization that helps a person to join a right trade union. In the triangle three bodies are connected or represent the interest of each other. EK is the central organization of private sector employers and known as the Confederation of Finnish Industries. There are three main confederations in Finland. The central organizations for Wage Earners that are central confederation of Finnish trade unions SAK, the Confederation Salaried Employees STTK, the Confederation of Academic Professionals unions in Finland (AKAVA). (Äimälä, Åström & Nyssölä 2012, 18)

4. INTRODUCTION OF COLLECTIVE AGREEMENTS

Collective agreement is an agreement bounded by qualified parties on the conditions of job. On the behalf of employer, the agreement can be bounded by Single Corporation or their confederations. The employment relationship between the members of the signatory parties mainly effect by the provisions of collective agreement. The important provisions are related to wages and working time. Agreements containing wage provisions are fixed-term agreements. Collective agreements shall be bounded by the parties in written form. (Äimälä et al. 2012, 17)

PAM discusses collective agreement for its member's interest and protection at job. Collective agreement defines the least terms of job for an instance pays, working timing, sick leaves, annual holidays, paid holiday period and holiday additional benefits. The collective agreement bound the employers of all sectors that their employees are safe and getting all the fringe benefits. (PAM Collective Agreement, 2013)

4.1 Historical aspect of Finland's Collective Agreement

In Finland for the first time collective agreements was commenced in the Finnish judicial law in 1924. Unfortunately mutual distrust resulted into minimal collective bargaining.

In 1940, the situation was changed and both organized owners and labors accepted equal negotiating rights for each other. After the end of world war second collective agreements were bounded for labor in all the main industries. The new Collective Agreements Act was adopted in 1946, this agreement Act is still in force.

Since 1946, collective agreements have been continued to protect professionals and public sector worker as well as broad range of matters related to employment terms and conditions.

The character of collective agreements represents the Nordic representation for industrial relations. Consolidated trade union movement is basis for the model and a speedy alliance happened with a long tradition of labor directive by collective bargaining. The governmental legislation appeared after collaboration with trade of unions and employer unions. The main aim of the government to involve in trade and employer unions is not only secure labour peace but also to make economic policy. (Meeting of European Labour Court Judges, 2006)

4.2 Source of Collective Agreements

The organization of interest groups and bargaining within the groups is a central aspect of Finnish society. In Finland, both workers and employers are highly organized. Moreover negotiating partner is possessed by every trade union, which stands for employers in the industry. The governments argue with trade unions and owners in depth before any expected modifications to the regulations which can influence work. For an instance, any suggestion for change in the law regarding working timings will be treated by a working group. The working group includes employee union and employer representatives.

The negotiation continues between working groups continue until it reaches a common understanding. Most of the time collective agreement governs the employment terms of all employees committed in a certain industry or work type. It does not matter whether these employees are member of trade union or their owners are members of any union of employers that prepared the agreement.

The binding nature of a collective agreement depends on different things such as organizing rate of owners and workers in the concerned work line. (The Finnish trade union movement, 2012)

4.3 The Parties Bound by the Collective Agreement

The most important feature of collective agreement is the obligation of the owners and associations that have signed the contract. The bound employers and associations are known as signatory parties.

The collective agreement is not only binding on the employers and associations but also on the members of signatory parties i.e. the affiliated associations, the most important group being the local trade union branches. Moreover the collective agreement is an obligation for the owners and workers affiliated with the preceding associations during the contract term. This means that organized owners and workers are bound to the collective agreement concluded by their bodies.

An employer is bound by the collective agreement. It is the liability of employer to observe its provisions also vis-à-vis employees who are not bound by the agreement. This refers to unorganized employees in the service of an organized employer. When the Business ownership changes during the collective agreement's term, the new owner is liable to look at the agreement for its remaining term. (Äimälä et al. 2012, 17-18)

4.4 Provisions in the Collective Agreements and their Application

There are two categories of provisions in collective agreements: obligation provisions and standard provisions. The obligation provisions concern the relationship between the signatory parties: employers and employees associations. The standard provisions affect the individual job relations between the owner and the worker. The standard provisions can further be divided into provisions related to the terms and requirements related to conditions of employment or working conditions.

4.4.1 Provisions Concerning Employment Terms

There are also provisions on the terms of employment. The most part of collective agreements contain the provisions regarding the terms of employment. These Provisions shall be observed in individual employment relationships between the employer and employees. For instance the terms of such provisions are based on time wages, incentive wages, different increments, regular working hours, overtime, Sunday work, travel costs, annual leaves and sick payments. The individual owner and an individual worker both can ask for justice based on those provisions in a general court.

If the employer and the employee breach the condition of provisions then both have to pay the compensatory fines. The maximum total of the fine is 29 500 Euros for the owner, and for workers it is 290 Euros. The associations obliged by the collective agreement are liable to ensure that their affiliates observe the contract. An association neglecting this supervisory duty can be sentenced to pay a compensatory fine of a maximum of 29 500 euros.

4.4.2 Provisions Concerning Working Conditions

Collective agreements also contain provisions on working conditions at the workplace. These are provisions that employer shall observe vis-à-vis certain groups of employees as a whole, and not as terms of individual employment relationships. These include provisions on common facilities, tools etc. The provisions on working conditions only oblige the employers. Commonly, these provisions concern matters are related to health and safety at the workplace. Similarly the provisions can also cover issues related to the management of the collective agreement, such as the rights of the shop steward. (Äimälä et al. 2012, 18-19)

4.5 General Applicability of Collective Agreements

As it is above mentioned, the collective agreement is restricting its participating groups and their affiliates. That is known as normal applicability of collective

agreements. Furthermore, the collective agreement can be generally applicable. Normally applicable collective agreements are available at www.finlex.fi/en/.

4.5.1 Nationwide Agreement

The collective agreement is nationwide if it is applicable to whole Finland. Local or regional collective agreements cannot have general applicability. A company-specific collective agreement can be no more generally applicable, even if it is concluded by nationwide associations, and the company operates in all regions of Finland.

4.5.2 Representative in the Branch

Applicability or relevancy of collective agreements is analyzed in a complete evaluation. Statistics form the basis of the evaluation. If workers obliged by contracts in companies are around 50% of total the employees, then contract or agreement is really representing the workers. If this is not the case, attention shall be paid to whether the collective bargaining is established practice in the company or branch. An important point is to look how organized the division is in considering the owners and the workers. The issue is resolute by the Ministry of Social Affairs and Health which arrange a special board set up. The board from Ministry of Social Affairs and Health has confirmed around 160 collective agreements for normal applicability.

4.5.3 Unilateral Applicability

The employer is only liable person to observe the collective agreement on basis of its general applicability. The employees have no obligations arising from generally applicable collective agreements. They only have to observe collective agreements concluded by their own unions. (Äimälä et al. 2012, 20)

4.6 Local Agreement

Most of the time collective agreement contains provisions on local bargaining basis. The local agreement only permits for locally agreed derogations. The local bargaining

provisions concern about the regular working hours arrangement. The limits of local bargaining can be determined by the collective agreement. Collective agreement also consists of formalities and procedural requirements, in addition to the parties who are allowed to negotiate the local agreement. Significantly, the provisions differ from one branch to another. The local agreement is a part of the collective agreement. The parties who sign the local agreement can be the employer and the employee, or the employer and the shop steward. The shop steward manages the local agreement as representative of workers.

4.6.1 Working Hours Act

There are Specific rules on local bargaining in Finnish Labour Law. For instance, Working Hours Act has many problems related to local dealing or bargaining. This means that certain derogations to the act can be made at workplace level. Collective agreement is perhaps the most important issue in the arrangement of regular working hours in branches.

4.6.2 Work Rules

The company is liable to observe the Act on Co-operation within Undertakings. The employer can make work rules in co-operation with the employees' representatives. These work rules are related to problems as those practices pursued when finalizing the employment agreement, information gathered when recruiting new workers, working timing arrangements, leaves, breaks from work. (Äimälä et al. 2012, 21)

4.7 Negotiation procedure

There are many provisions in collective agreements. But collective agreements also have provisions on the settlement of the disputes related to the application, interpretation and breach of the agreement. The disputes from the collective agreement's application at the work shall be handled between the employer and the employee. Disputes should be settled down as soon as possible but not later than a week.

In case if the dispute is not settled between the employee and the employer, the employee can forward ahead the case for negotiations between shop steward and the employer. Further, shop steward can forward the dispute to chief shop steward for solution. In case of no settlement, the preceding parties forward ahead the case for negotiations between the employer and the employee associations. According to the law, the trade union representative in the negotiations has to present a proxy from the employee. The branch-level associations can submit the dispute to their central organizations. Moreover if the quarrel case cannot be resolved between the groups, then the dispute can be handed over to the Labour Court. Interestingly the Labour Court cannot consider the claim, unless the dispute has been handled in due negotiations. (Äimälä et al. 2012, 21-22)

4.8 The Status of Collective Agreement System from Private Sector

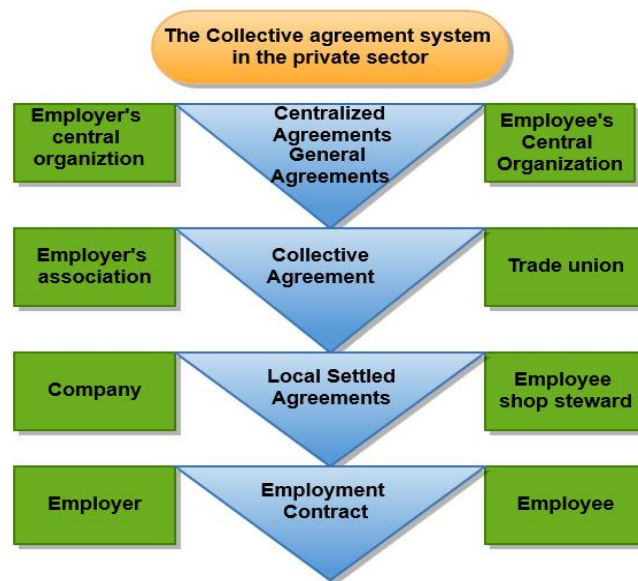


Figure 4: Representation of Collective Agreements. Adapted from Ministry of Labor 2006.

The figure 4 shows the status of collective agreement system from private sector. The owner and the worker have employment agreement on some terms and conditions and agreed upon on a good hourly or monthly salary. If the employee have problem at work or there is a violation of collective agreement, then employee can contact for assistance from shop steward within the corporation. The contract can be settled within the company if employer's and employee's representative have complete understanding. Trade union and employer's association can also solve the collective agreement problem on the behalf of employee and employer. Employee's central organization negotiates general agreement with employer's central organization. In the private sector of Finland, the employer's central organization is known as EK. Similarly the central organizations of employees are SAK, AKAVA and STTK. (Ministry of Labour, 2006)

5. EMPLOYMENT CONTRACT



Figure 5: The employment contract. From Entrepreneur 2013.

“An agreement entered into between an employer and an employee at the time the employee is hired that outlines the exact nature of their business relationship, specifically what compensation the employee will receive in exchange for specific work performed” (Entrepreneur, 2012)

The employment contracts control by the Employment contracts Act. According to the Act employee is considered as weaker party in an employment contract. That is the reason law has mandatory legislations for the protection of employees. The government of Finland plays a neutral role between the employer and employees. Government considers both parties player in making legislation and the parties player are employer’s associations and trade unions. This principle is known as tripartite principle because three members, the government, the employer’s association and trade unions, are absolutely involved in the process of making laws. (Surakka 2012, 88)

5.1 The Characteristics of an Employment Contract

An employment contract has the following characteristics:

- In an employment relationship, an employee or a group of employees agree to do the assigned work.

- The employee work under the direction and supervision of employer.
- The employee does the job personally in return for pay or some other reward.
- The job is performed on an employer's behalf and the outcome of the work belongs to employer.

The relationship between the employer and employee is not an employment contract if the above mentioned characteristics are missing. For instance, Civil servants do not have employment contract. They can be appointed by central government, local government municipalities and the Church. Similarly, work done as a hobby does not meet the characteristics of an employment contract. (Surakka 2012, 189)

5.2 Formation of an Employment Contract

An employment contract occurs before any work actually has been started. The employment relationship begins when employee actually starts to work. The employment contracts can be in oral, written or electronic form. It is really advisable to have written contract because it is a proof of agreement between parties. Employment contract can be for an indefinite period or a fixed-term. An indefinite period contract may be terminated by submitting a notice. A fixed-term contract expires on ending date. Some special circumstances are required to form a fixed-term contract. There is no exact list of reasons to form fixed-term contract, but reasons like the nature of job, temporary nature of a work or an apprenticeship post may be justified.

An employee's probationary period may be less than four months or maximum six months. The purpose of a probationary period is for the parties to understand each other. The work-related training should be provided by the employer in some jobs and duration of the training depends upon the job and employees learning ability. (Surakka 2012, 189-190)

5.3 Main Duties of Employees and Employers

The employees main duties are: work carefully according to the instructions of

employer. An employee should take care about his own occupational safety and safety of his co-workers. The employees have to inform the employer of any risks in machinery, equipment etc. The employees cannot work for his employer's opponents or share any kind of business secrets.

The employer's main duties are to pay the salaries and wages to employees on time. In some jobs employees are entitled to get special kind of fringe benefits, such as the use of company car. It is obligatory for the employer to ensure the employees that they have to work without any changes and develop the work or working method. The employer must provide the opportunities to employee for advancing and promoting the career. Discrimination is not allowed. Employers must protect the employee from accidents and take care about health and safety. (Surakka 2012, 191)

5.4 Salaries and Wages

Employee's salaries and wages can be paid in cash or into bank account. The payday is the last day of pay period or the agreed day. If a payday is weekend (Saturday and Sunday) or holiday, the employer has to pay on the pervious banking day. The employer must provide the salary slips, which show the amount and method of calculating salary.

The employer has to pay the salary or wages on the last working day, when the employee's period of employment ends. Employment contract act makes the employee to receive additional full pay for the period he waits for the pay. The employer pays wait-time wages as penalty interest or delayed payment. (Surakka 2012, 192)

5.5 Working Time

There are detail rules and regulation concerning working time and wages or when employer's working time exceeds the regular limit. Different working hours Act and collective agreement regulate the working time. Employees can exceed the regular working hours to a certain limits. It is not necessary to notify for emergency overtime

but otherwise advance notice is important. The maximum overtime allowed work is 250 hours annually and 138 hours during a four-month period. A fifteen to seventeen years aged worker overtime limit is 80 hours during a calendar year. A young worker's maximum daily working limit is nine hours and weekly 48 hours. Fourteen years old worker are not allow to do any overtime work. The overtime wages will be raised by 50 percent to 100 percent. Sundays and public holidays have double payment. Night work and shift work have some extra income. (Surakka 2012, 192)

5.6 Annual Leave

Annual leave is regulated by the Annual Holiday Act. This Act is applicable for the employment relationships as defined in the Employment contracts Act and to civil servants within central and local government administration. It is very necessary to follow the rules of Annual Holiday Act. Basically the Act is for the benefit of employees and civil servants in order to get free days. So employees can get two and half days holiday for a full credit month. If the employment relation is less than a year, they earn only two days holiday for a full credit month.

The holiday credit year starts from 1st April and ends on 31st March. The holiday period is from 2 May to 30 September and during this period employee can earn 24 summer holidays. The employer has the right to decide the holiday time in certain limits after consulting the employee. The employee can also divide the holidays into parts. The employer must have to pay for holidays equal to the salary of employee. (Surakka 2012, 193)

5.7 Penalties

There some punishable violations which mostly occur because of employers' actions. For example, violation of the non-discrimination (Penal code), a violation of the freedom of association (Penal code), violation of rights of Shop stewards (Penal Code) and some other breaches of employment contract. (Surakka 2012, 194)

5.8 Occupational Safety and Health

“Occupational health care means the activities of occupational health care professionals and experts that the employer has a duty to arrange by law and which are used to promote the prevention of work-related illnesses and accidents, the healthiness and safety of the work and the working environment, the functioning of the workplace community and the health, working capacity and functional capacity of Employees.” (Occupational Health Care Act, 2001)

The Occupational Safety and Health Act obliges that the employer must take care about employees and employee's duty is to take care of their own and other worker's safety and health. (Surakka 2012, 202-203)

5.9 Unemployment Security

The Finnish Unemployment secures the person on two benefits: the daily unemployment allowance and labour market subsidy. The registered members of unemployment fund receive earning related daily allowance and non-members receive basic daily allowance. Mostly the unemployment funds are founded by trade unions even a fund does not depend on the trade union membership. An employee on lay-off can also claim for unemployment allowance on the some condition as unemployed person. The earning-related allowance is given to an applicant's own unemployment fund. The basic allowance can be claimed from the local Social Insurance Institution. For that allowance person should be registered as job seeker with local TE office. (Äimälä et al. 2012, 202)

5.10 Pension

The employee gains his pension on basis of his yearly earnings. For pension calculation, each year's earnings are adjusted to the index level of the year during which the employee starts to receive his pension. The yearly earnings are multiplied by an accrual rate determined by the employee's age.

Pension accrues for all workers who are older than 18 years and younger than 68 years. Moreover the pension accumulation rate varies among age groups. For the worker of the age 18 to 52 years, the pension accumulation rate is 1.5 % per annum. The pension accumulation rate is slightly higher for workers between the age of 53 and 62 years and the rate is 1.9 % per annum. Similarly a pension accumulation rate of 4.5% per annum reaches between the age of 63 and 68 years. There is no maximum limit for pension accumulation; therefore all received incomes increase pensions up till the age of 68 years. (Äimälä et al. 2012, 208)

6. INDUSTRIAL RELATIONS

Industrial progress is impossible without the cooperation of labour and employer. Therefore, it is in the interest of all to create a peaceful environment and good relation between employers and employees.

The relationship between employer and employee within an organization is known as industrial relations. Industrial relation is a field which looks at the relationship between the employer, employee and group of people represented by the union. Basically, industrial relationships are the interaction among the workers, the government and the institutions of association by which such interactions are settled. The following figure shows the main parties engaged in the industrial relations.

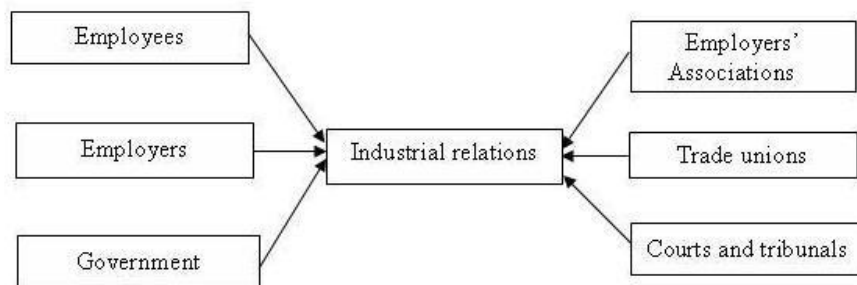


Figure 6. Actors in Industrial relation system. From Industrial relation-
Nukarihub.com.

The employer have certain rights including hiring and firing the employee. On the other side employees exchanges views with management and voice their unhappiness as well as share decision making powers of management. Similarly, the government controls the industrial relations by laws, rules and agreements which also include labour and tribunals courts. (Industrial relations, 2012)

6.1 Industrial Conflicts

‘‘Industrial conflict is the situation where disputes and disagreements arise between employees’ and employers over matters related to the working conditions’’.

There are two types of conflicts. Some are known as formal while others are informal. Informal clashes in an industrial organization is usually linked with less skillful and merely educated workers and those clashes are commonly unorganized, showed after individual issues such as absence, damage, stealing etc. On other hand formal conflicts are linked with highly skillful intellectuals. Such workers are appropriately organized and the formal clash occurs usually due the union leaders who are known as "agitator". For an instance organized conflicts are strike or pulling out of service.

There are several causes for industrial conflicts but the most commons are wage demands, working conditions, Management policies and Political and Social Issues. (Industrial conflicts, 2008)

6.2 Dealing with Conflicts

A system of arbitration in industrial disputes is in place to deal with conflicts of interest at work. It is based on the Act on Mediation in Labour Disputes. The state set up the arbitration system for the labour market organizations so that disputes might be resolved through negotiation.

In cases of arbitration in industrial disputes, the negotiating partners are assisted by a national conciliator and conciliators. The labour market central organizations may also use a national conciliator to assist them in concluding a collective bargaining agreement.

Litigations over the content or breaches of collective agreements can be referred to a labour court. A labour court’s jurisdiction relates to a collective agreement’s legitimacy, validity, content, scope and the correct interpretation of any of its clauses.

The labour court can also decide extent of the compensatory damages which has to be paid in case of unlawful industrial action. The decision from labour court will be consider as final.

Legal disputes over an employment relationship not linked to a collective bargaining agreement binding on the employer by virtue of the Collective Agreements Act are dealt with by general court. (Ministry of Employment and Economy, 2013)

6.3 Maintaining Peace among Industrial Workers

The participating parties of a collective agreement shall not agree to industrial action while the agreement is in force. This constitutes the so-called passive duty to maintain industrial peace. The passive duty to maintain industrial peace lies upon the signatory groups and their affiliated associations, like the local trade union divisions. The duty to maintain peace among workers does not, however, oblige individual workers.

The associations have to ensure that their members do not undertake industrial action. This constitutes the so-called active duty to maintain industrial peace. It concerns all associations obliged by the collective agreement including those signatory groups.

The most general type of employees' industrial action are strike, work-to-rule and boycott. The employer usually uses lockout. Threatening the other party with industrial action is already industrial action.

Such measures are unlawful, if they are directed at the collective agreement as a whole, or at any of its provisions. In case law, supportive measures have been considered to be directed at the agreement as a whole, if the primary industrial action has been unlawful.

Compensatory charges or fines can be imposed on the organization, trade union branch or employer that has either done an illegal industrial act, or ignored the

continuity for industrial peace. The fine of maximum 29500 Euros can be charged. (Äimälä et al. 2012, 19-20)

6.4 Disputes and Clashes at Work

Conflicts at work can be in a lot of types. It can be a personal conflict, a problem among employer and employee or clash among co-workers. Any clash can happen in the workplace and reduce the efficiency of business.

Managing clashes at begging stage and solve it out is very important. Stopping the dispute before fully-blown situation will be time saving, money saving and reducing the upcoming stress for the both employer and employee. There are some problems that can create clashes at workplace:

- management is not completely trained
- unfair conduct
- profession roles are unclear
- communications or interactions is poor
- Environment at work place is not good
- Shortage of equivalent opportunities or discrimination
- bullying and harassment
- unresolved problems from the past
- workload (Disputes and conflicts in the work place, 2013)

6.5 Case Examples of PAM

There are typical concrete dispute case examples which PAM handle and solve the conflict in between employer and employee.

- To negotiate termination of employment, for example when employee has been fired based on his/her work quality or other so called person related reasons.

- If employee has been underpaid, PAM will make sure that employer pays salaries as agreed on the collective agreement.
- Work conditions like work times, work schedules, breaks etc. are not as agreed on the collective agreement.
- Should work contract be permanent instead of fixed time, or it is made for a fixed time with a justified reason.

The example given below is quite valuable because in this case PAM manage to save the employment so that it continues. The similar cases handled by PAM are about money, how much cost employer will pay if he terminates the contract with wrong or without solid reasons. In these kind of cases both parties need willingness to negotiate and find a good solution, instead of blaming others for everything. It is quite common in dispute cases.

One day an employee visit's PAM's office and shows a document. In this document, he has signed that he quit the job by his own request. In actual, story was different. He told that he was forced to do that by employer. Moreover employee told that one nigh he forget to close the water tap at work place. So the release of water cause damage. The Employer has accused him for water damage that happened on the night and also that if he would not quit the job, employer will terminate the contract and make sure that employee will pay all the damages and will never get any new work in Finland.

PAM calls the employer into their office by sending letter and asks what happened. The employer told that they were just giving negative feedback to the employee. Employee must be careful with waterline and read the work instructions very carefully. Employer also told that he point out the employee do not worry about the damages cause, because insurance will pay all the damages. Overall, from employer's point of view, employee was not willing to accept negative feedback and get frustrated and quit the job by his own request. No one ever force and threaten the employee.

The following day PAM arranges the meeting with employer and employee. On the meeting PAM finally manage to resolve the conflict between both parties. So that employee will get his job back.

Some time stories are totally opposite in dispute cases. Here PAM's job is to find out what really happened by collecting evidence and after investigating the case PAM estimate should case proceed any further or not. (PAM Cases, 2013)

7. RESEARCH METHODOLOGY

Research is a scientific and systematic search for related information on specific topic. Research purpose may include explaining, describing, understanding, analyzing criticizing and concluding. However, it also provides suggestions and suggests further research areas. This research is about trade union status and how workers (members) are protected by the union. Validity and reliability of the research is discussed in end of this chapter. (Research Methodology: An Introduction)

7.1 Research Procedure

The research process has many stages, it is very necessary to follow all the stages in order to undertake and complete research work. The number of stages varies according to the research topic, but mostly these stages are for clarifying and formulating the topic. The majority of research processes consists of stage like reviewing literature, designing the research, data collection, analyzing the data and writing up. The figure 7 below describes the research process step by step. (Learning introduction to research, 2010)

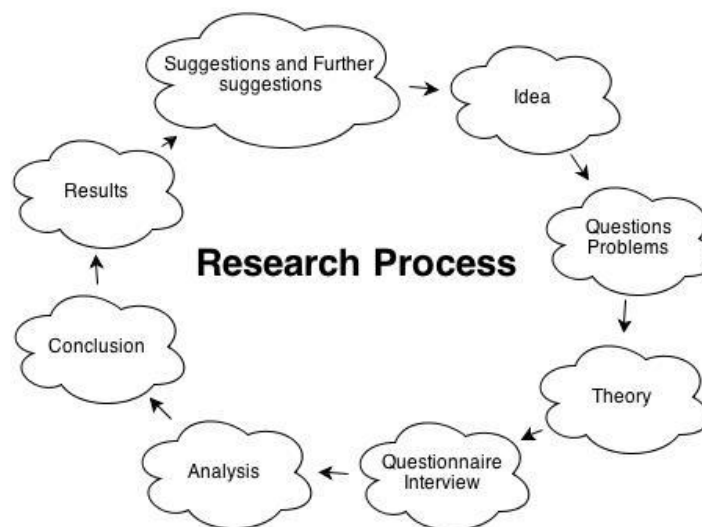


Figure 7. Research Process

Figure 7 describes that, first, there was an idea in the author's mind to research about trade unionism and workers protection in Finland. In working life people face different problems and have conflicts with management or with employer. It is a very important part of the research to raise or create some research problems, as there are four main research questions made in this research work. (See introduction 1.5) In the next step literature review and other name is supportive theory, it is a compulsory part of thesis. The theory must have to support the Idea and research questions. There are two research methods used in this case study. Quantitative research procedure is used for statistical data and qualitative for descriptive or non-statistical data. And data is analyzed in the following chapter 8. More over conclusion is drawn on the basis of findings. Last but not least final result leads the research process towards suggestions and further research suggestions.

7.2 Data

There two types of data used for analyzing the results and making conclusion: primary and secondary data.

Primary data is firsthand information collected from different sources as literary texts, experiments, artistic works, historical documents, surveys and interviews. **Secondary data** is secondhand data or it is a data that have been collected previously and used by another person who collected the data. (Saunders, Lewis & Thornhill, 2012)

In this research work primary data, which is collected by sending the questionnaire to PAM's members via email is used. The advantage of primary data is that it provides information totally related to the study. Also, primary data is important and valuable because it provides fresh and new insights about the research problems. Secondary data was available but could not be used, as the data was not really related to the study purpose and objectives.

7.3 Quantitative and Qualitative Approaches

Quantitative research method means looking for quantification of the information and then application of some form of statistical analysis. **Qualitative** research method, an unstructured method, has basis of small samples and is proposed to represent understanding. (Saunders et al. 2012)

In simple words quantitative research deals with the numbers and data which can be measured, for example, length, weight, size and age. But qualitative research deals with description and data cannot be measured in statistics and numbers. Qualitative and quantitative methods can be used alone or together in the same research. In this research both quantitative and qualitative methods will be considered.

7.4 Reliability and Validity

“Reliability is the consistence of measurements of a concept, using an identical measurement procedure and the replicability of the findings.” The reliability of the research can be determined by repeating the research or by conducting a parallel research. “Validity is the extent to which a measure really reflects a corresponding concept.”

Reliability is a consistency of the results; the less chance/accident affects the results. For example, on one hand, the larger the sample is, the better the reliability. However, on other hand, validity does measure exactly what a person intends to measure. For example, by asking for annual incomes, we do not necessarily measure buying power. (Baumgarten, 2010)

In order to get valid results in this study, the questionnaire that is used to collect primary data is planned so that the research questions would be answered according to the nature of research questions. To increase the validity of the study the questionnaire is tested among a few members of PAM who will give feedback and suggestions. The thesis supervisor also checks the questionnaire and then it is sent to PAM where they will check the validity and revise the questionnaire. Trustworthiness

of the study can be checked, if the examiner organizes a pre-test of the survey prior the official is sending them to the respondents. The reason behind this is that the repeatability of results could be found. The found information from the results can be more reliable by the combination of theoretical study and empirical study.

7.5 Questionnaire

The questionnaire is the main tool used in the collection of data. The questionnaire is designed with the help of PAM and the thesis supervisor. The questionnaire is easy, short, simple and exactly to the point. The questionnaire is designed from both reader and researcher's point of view. Therefore, it can provide good quality of responses and be easily processed. The survey is conducted in cooperation with the main head office of PAM in Helsinki region. The sample size for this survey is 500 PAM members. Unfortunately the survey for this research work is only in the English language. Because of time limitations it cannot be translated into the Finnish language and sent to the Finnish speaking members.

The electronic form of the questionnaire is sent to the members of PAM by email. The general nature of the questionnaire is qualitative. A short request message is also attached to the questionnaire, which asks the members to reply soon and in good manners. The respondents have more than a week's time to reply. In this research responses are processed in Excel.

7.6 Interview

To attain the qualitative data for this research work, it is very important to meet a person who has thorough knowledge about PAM union. An interview was conducted with PAM trade union official. This was an unstructured interview with Mr. Ville Filppula who is an officer (Toimitsija, Ombudsman) in PAM's regional office in Vaasa. The main reason for conducting this interview is to gain more knowledge apart from the survey questionnaire and also to support the theoretical study.

The interview was basically about how trade union PAM protects the workers and this discussion also covers the research questions. A trade union is beneficial for the workers because of dealing with collective agreement and unemployment funds. PAM provides full legal protection to its members. Collective agreement agrees upon different terms and conditions, which are mostly related with good working conditions and better wages. Moreover, they have membership benefits like discounts on insurances, holiday trips and ferries. PAM takes care of the working life of the worker. It was also discussed that PAM improves the protection of workers through collective agreement and employment laws. Also, the trade union is responsible for maintaining good industrial relations and industrial peace. If there is a conflict between the employer and the employee, PAM resolves the conflict through negotiations and legal procedures.

8. ANALYSIS OF THE QUESTIONNAIRE RESULTS

This chapter deals with the empirical work and on analysis of the responses, and also consists of graphs and figures explained in words. In the end there is a conclusion of the survey. As mentioned in the research methodology chapter, the research is conducted in only PAM trade union in Finland. The questionnaire was sent in total to 500 English language (kieli) members. 51 out of 500 respondents filled the questionnaire.

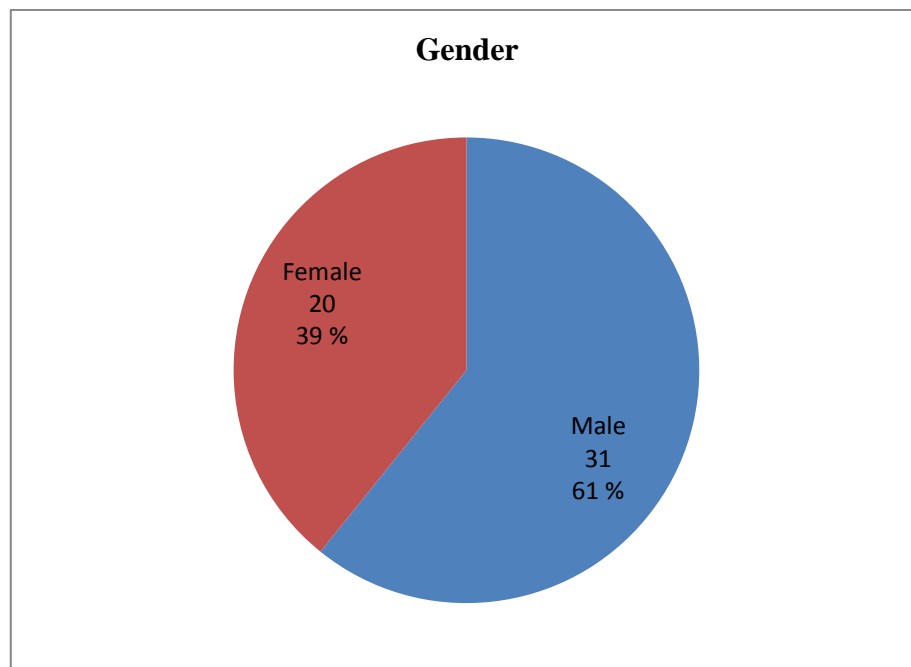


Figure 8. The distribution of gender, N=51.

There are a total of 51 respondents participating in the survey. Out of 51, 20 respondents are females and 31 males who answer the survey questionnaire. Figure 8 shows the gender distribution in numbers and percentages.

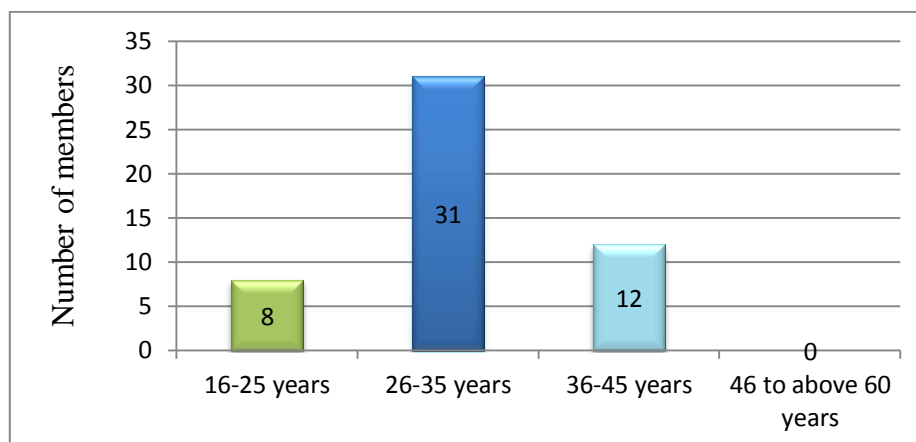


Figure 9. Age distribution, N=51.

There are 31 members in the age group 26-35; it is a largest age group as compared with other age groups visually described in Figure 9. 12 members fall in the age group 36-45 but none is in the age group 46 to above 60. Only 8 members are in the age group 16-25 years.

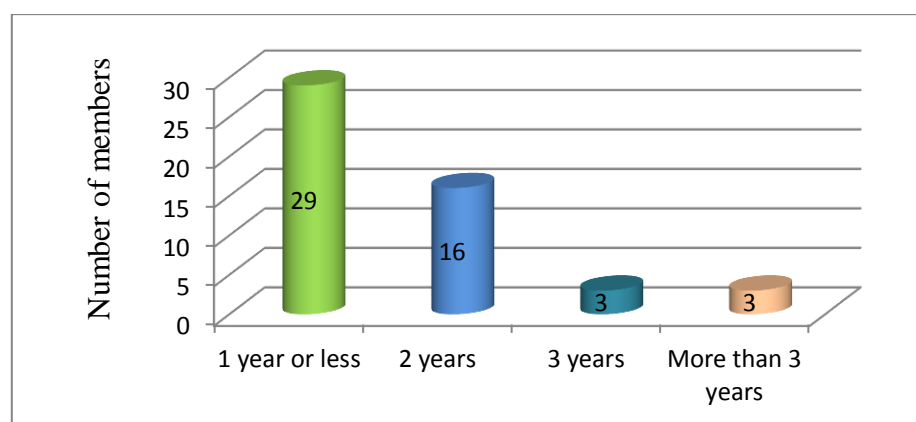


Figure 10. Membership time, N=51.

In Figure 10, it is shown that 29 members have been member of PAM for one or less than one year. 16 members joined the union two years ago. There are totally the same numbers of members who join the PAM three years ago and who have been members for more than three years, three members in each age group respectively. To

conclude, there are members who join PAM for legal protection and membership benefits.

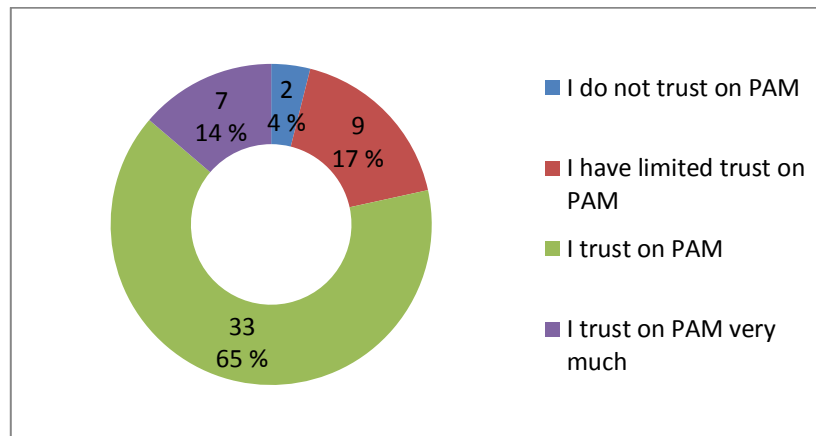


Figure 11. Trust level, N=51.

The survey shows that members have trust in PAM's representatives. In figure 11, 65% members show trust on PAM and only two members do not trust on PAM. Nine members have limited trust on PAM. Remaining seven members have much trust on PAM. There can be certain reasons that member does not have trust or has limited trust on PAM. Otherwise the majority of the members like PAM and trust its activities.

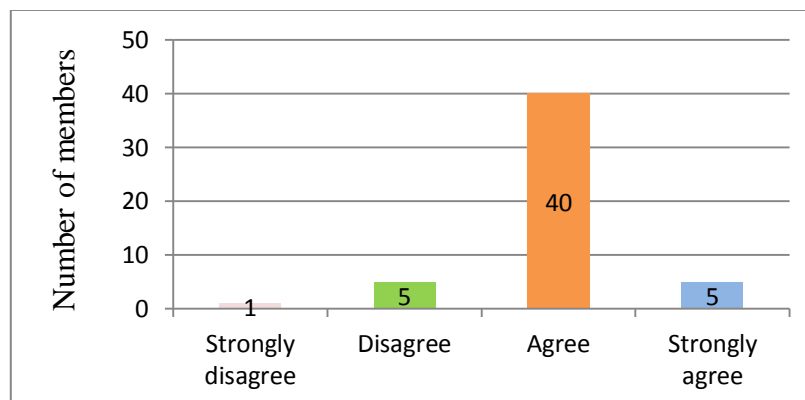


Figure 12. Protection about employment related problems, N=51.

In Figure 12, 40 members agree that PAM protect them in employment related problems. Five members feel highly secure with PAM. whereas, five members disagree with PAM protection. One member strongly disagrees with the statement, “Does PAM protect you from employment related problems?”.

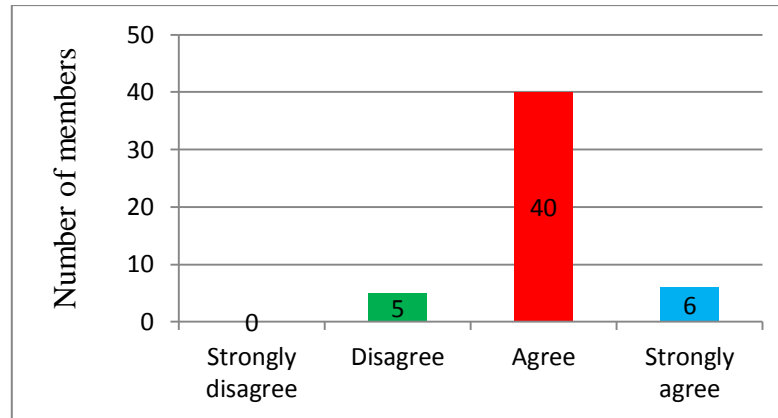


Figure 13. PAM’s efforts improve the legal protection, N=51.

Figures 12 and 13 are quite similar in showing the members’ opinions about their protection through the trade union. The only difference is that in figure 13, six members strongly agree with PAM’s efforts to improve the legal protection while working in an organization. None of the member is strongly disagree with the statement.

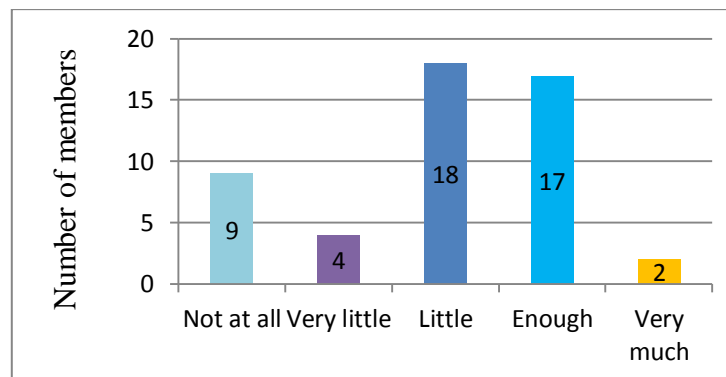


Figure 14. Collective agreement knowledge, N=50.

One member did not respond to the collective agreement question. So there are only 50 despondences. In Figure 14, 18 and 17 members have little and enough knowledge about collective agreement respectively. Nine members do not have any knowledge about collective agreement. Two members are expert but four have less knowledge of collective agreement.

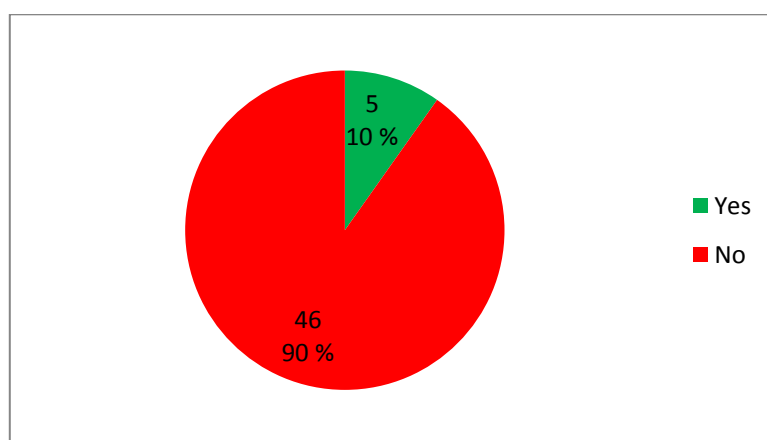


Figure 15. Use of membership benefits, N=51.

Figure 15 below shows that 90% of the members do not use any membership benefits. It is quite a terrible situation. It is possible that the members are not aware of the benefits or there can be some other reasons. However, just five members respond to use the membership benefits.

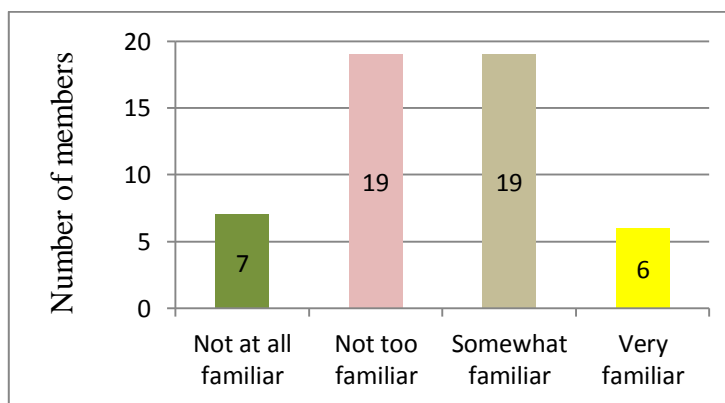


Figure 16. Member's familiarity with PAM, N=51.

Figure 16 shows members familiarity with PAM. Seven members are not at all familiar with union PAM, but on the other hand side, six members are very familiar with PAM. In other two categories; not too familiar and somewhat familiar members are equally big in numbers, as shown in the Figure 16.

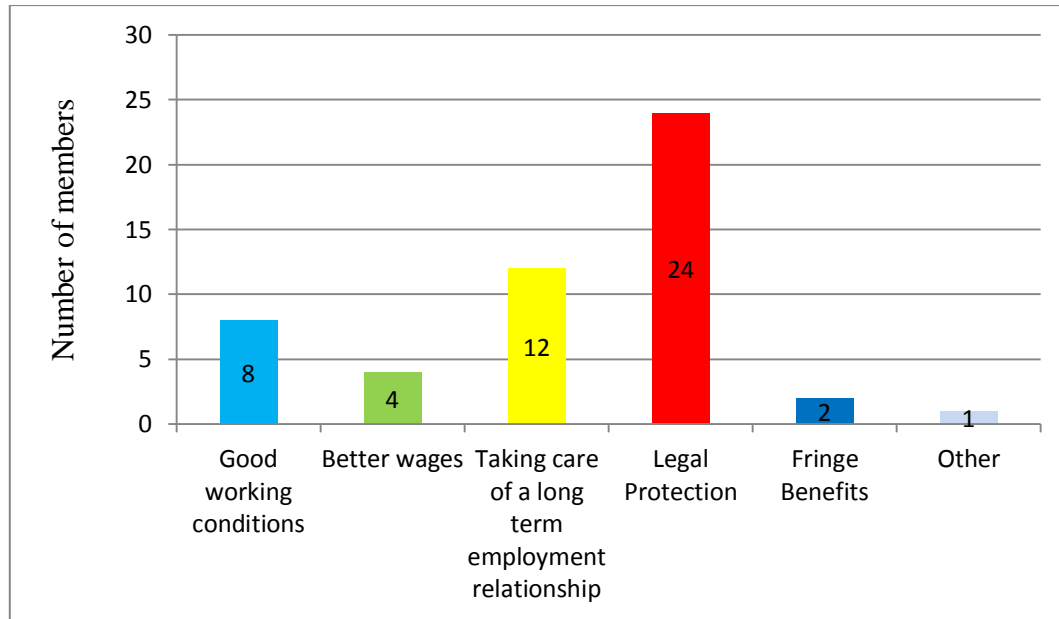


Figure 17. Expectations of members from PAM, N=51.

Figure 17 members have different expectations in being a member of PAM. The highest, 24 members, expect legal protection or it can be the main reason that they have joined PAM. Twelve members want long term employment relationship security from the union. Four and eight members expect good working conditions and better wages respectively. Two members think that PAM should take care of fringe benefits and only one member lies in other expectations category, which is full job security.

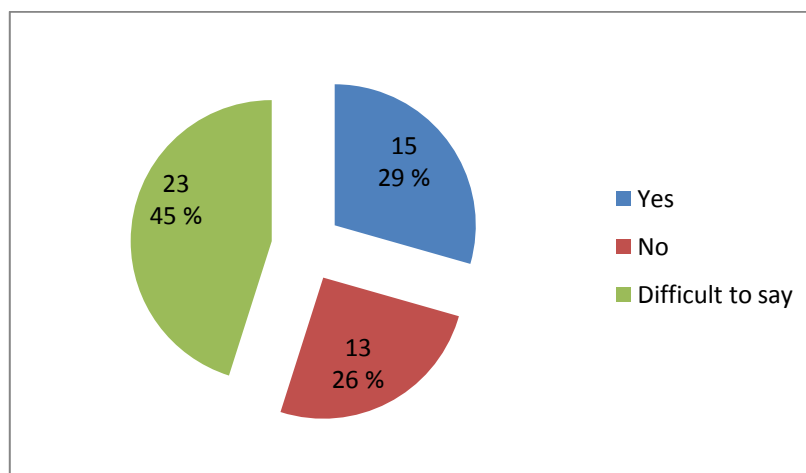


Figure 18. Role of PAM in resolving conflict, N=51.

In Figure 18, thirteen members respond that PAM does not play any role in resolving the conflict. Fifteen members respond “yes PAM has a role in conflict resolving”. Forty five percent of the members do not want to say anything about PAM’s conflict resolving role.

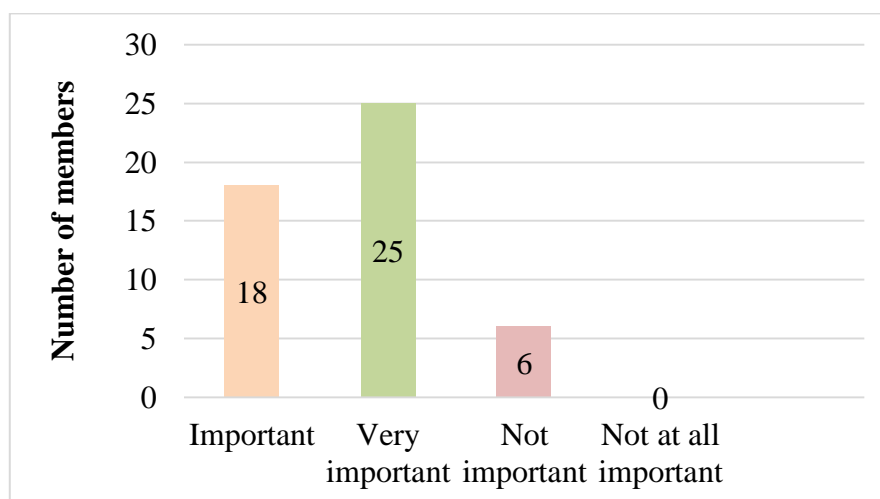


Figure 19. Importance of PAM in resolving conflict, N=49.

In Figure 19 two members did not respond. 25 members say PAM’s role is very important in resolving conflicts and six members think PAM’s role is not important. Furthermore, 18 members reply trade union PAM have an importance in solving the issues.

9. SUMMARY AND CONCLUSION

This is the final chapter of the study, which consist of summary and conclusion. Conclusion is based on research findings. There are also some recommendations for PAM and for further research work.

9.1 Summary of Study

The research work studied trade unionism and how a union protects workers. In Finland trade unions have different tools and skills in protecting the workers, especially the collective agreement and labour laws. It is also a responsibility of a trade union to keep industrial peace and calm down workers in strikes. Trade union plays a vital role in resolving conflict and takes care of long term employment relationship.

There are a number of achieved objectives:

- Explanation of trade union and trade union status in Finland
- To find out about workers' protection by the union
- Measurement of membership benefits
- Trade union's role in resolving conflicts
- To increase awareness in workers for industrial relations

9.2 Summary Based on Findings

After analyzing of the data, the following findings are made:

- Most of the members of PAM are young and in age of 26 to 35. Similarly, they have one year membership experience with PAM.
- Trade union PAM really works for its members and takes care of members' interest so, PAM's members have trust in it.
- PAM's members feel safe and secure because PAM protects them from employment related problems, for example with unemployment funds.

- PAM provides full legal protection to its member related to employment problems. The union always prioritized its members and always tries to keep them safe.
- PAM's members have very little knowledge about the collective agreement. It is the most important and basic tool of all unions.
- A majority of members do not use PAM's membership benefits.
- The union members are less familiar with the activities and work of the organization.
- The members expect three major things from PAM: first legal protection, second, taking care of long term employment relationship, and last but not least, good working conditions.
- The members do not want to say anything about the conflict resolving role of PAM but they believe that PAM's role is important in resolving conflicts.

From the interview it is found that PAM plays an active role in protecting and taking care of the interests of its members. PAM as a trade union negotiates the collective agreement and that is why PAM exists. PAM has experts inside the organization who legally protect the members from all harm in employment relations. PAM also has some augmented value, for example membership benefits. Trade unions solve conflicts whether conflicts are industrial or in between employer and employee.

9.3 Conclusion

It can be concluded that PAM trade union has been working very actively for the past few years. PAM protects and safeguards its members from all harm and problems which members can face in working life. The trade union has number of benefits for its members. The trade union should also have educational and training programmes for its member.

On the whole, the trade union should work for the workers' interest and always watch them in action to fulfill their needs and desires. The mission and vision of the trade union help to clarify the members about the present and future activities of union. In

other words workers should be fully familiar with their union and its work for the workers' interest. It was very clear in the results that the union gained the members' trust but it is not enough, the member should also be aware of the available membership benefits.

The trade union should build strong cooperative relations with employers and employers' unions. It can help a lot to keep good industrial relations and motivate workers to perform better and better in a good working environment. Mutual Cooperation and understanding can also protect both the employer and the employee. Every member and every organization should work in a responsible way. Members should get their rights and they are more likely to perform their duty in a well progressive direction. Simply, one's right is a duty of another one. Work as a responsible person.

9.4 Recommendations

The following recommendations are made in order to raise the status of the trade union and workers protection.

It is true that the trade union is working actively and members' trust PAM. PAM should have true and fair policies for all types of member groups. It was also very clear in the findings that members are not familiar with PAM's work as an organization so they should spread the knowledge about their organizational activities. As a result workers are able to use membership benefits. Collective agreement knowledge is an important factor, because the members should know what union is bargaining and what the terms and conditions of the collective agreement are.

9.5 Further Research Recommendations

In this research because of time limitations and limited available resources I chose just one union for the study. If someone wants to do more research on this topic

he/she can chose more unions and compare the unions in theory as well as in the empirical work. This is called comparative research method.

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APPENDIX 1

Cover Letter for PAM

"The Trade Unionism and workers protection in Finland"

I am Zohaib Hassan, a Bachelor's Degree student of International Business in Vaasa University of Applied Sciences (Vaasanammattikorkeakoulu). I am performing the survey on trade unions as a division of Bachelor's Thesis. The main purpose of the thesis is to find out about the protection of workers in Finland. My thesis supervisor is Rosmeriany Nahan-Suomela. On the behalf of VAMK institution, we request Palvelualojen Ammattiliitto PAM ry to help and cooperate in this survey. We will be thankful to you.

Best Regard's

Zohaib Hassan
Thesis writer/Student
VAMK, University of applied sciences

Rosmeriany Nahan-Suomela
Thesis supervisor/Senior lecturer
VAMK, University of applied sciences

APPENDIX 2

Cover Letter

Questionnaire on **“The Trade Unionism and workers protection in Finland”**

I am Zohaib Hassan, a Bachelor's Degree student of International Business in Vaasa University of Applied Sciences (vaasanammattikorkeakoulu). I am doing the survey on trade unions as a part of my Bachelor's Thesis. So, I would be grateful if you would help me in completing this survey. Filling to this questionnaire is online and consume approximately 5-10 minutes in total. Most of the questions have many options and hence simple to reply. Please reply at your earliest possibility. Every answer is precious. Thank you for your cooperation.

Yours faithfully,
Zohaib Hassan

APPENDIX 3

Questionnaires for the members of PAM (Please answer all the questions, your response is very important)

1. What is your gender?

A. Male B. Female

2. What is your age?

A. 16-25 B. 26-35 C. 36-45 D. 46 to above 60

3. From how many years you have been the part of PAM?

A. 1 year period or less B. 2 year period C. 3 year period D. More than 3 year period

4. How much do you trust on PAM as a member?

A. I do not trust

B. I have limited trust

C. I trust on PAM

D. I too much trust on PAM

5. Does trade Union (PAM) protect you from employment related problems?

A. Strongly disagree B. Disagree C. Agree D. Strongly agree

6. Do you agree or disagree that PAM's efforts improve the legal protection while working in an organization?

A. Strongly disagree B. disagree C. Agree D. strongly agree

7. Do you have any knowledge about collective agreement?

A. Very little B. Little C. Much D. Too much E. Not at all

8. Have you use any membership benefits from PAM? (Cottages, discounts on ferry trips and Insurances etc.)

A. Yes B. No

9. How familiar are you with the trade union PAM?

A. Not at all familiar B. Not too familiar C. Somewhat familiar D. Very familiar

10. What are your expectations from PAM as a member?

A. Good working conditions

B. Better wages

C. Taking care about long term employment relationship

D. Legal Protection

E. Fringe Benefits

F. Others

11. Does PAM play any role in resolving conflict between you (as a member) and employer?

A. Yes B. No C. Difficult to say

12. How important is a PAM's role in resolving conflict between you (as a member) and Employer if there is any?

A. Important B. Very important C. Not important D. Not at all important

Thank you

APPENDIX 4

Interview questions from PAM

- How trade union is beneficial for the worker?
- Does trade unionism in any way protect workers?
- What effort has union made to improve the Protection of workers in an organization?
- Please tell something about industrial relations and who is responsible to keep industrial peace and good relations.
- How are conflicts between workers and organization resolved by the union?